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Order Number S-10-322-10-CO01

CONSENT ORDER

# STATE OF WASHINGTON DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION

IN THE MATTER OF DETERMINING Whether there has been a violation of the Franchise Investment Protection Act of Washington by:

Blazing Onion Franchising, LLC;

Respondent

Pursuant to the Franchise Investment Protection Act of Washington, RCW 19.100, the Securities Division of the Department of Financial Institutions ("Securities Division") and Respondent, Blazing Onion Franchising, LLC, do hereby enter into this CONSENT ORDER in settlement of the matters alleged herein. Respondent, Blazing Onion Franchising, LLC neither admits nor denies the Findings of Fact and Conclusions of Law stated below.

#### FINDINGS OF FACT

### I. Respondent

Respondent Blazing Onion Franchising, LLC (Blazing Onion) is a Washington State limited liability company that is in the business of offering Blazing Onion Burger restaurant franchises. David Jones is the founder and president of Blazing Onion Franchising, LLC.

#### II. Nature of the Offering

During the first half of 2010, Blazing Onion offered franchises on its website at www.blazingonion.com. On its "Franchising" webpage, Blazing Onion stated that it had "teamed with Beautiful Brands, International to franchise the Blazing Onion globally." On its Frequently Asked

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CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760

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Questions webpage, Blazing Onion stated that its franchise system included "use of the brand name, trademarks, recipes, operation systems and methods." According to its website, the Blazing Onion's franchise fee was \$25,000 plus 6% of total gross sales less sales tax. Blazing Onion stated that it offered prospects facility planning, on-site selection and architectural design. Blazing Onion offered prospective franchisees assistance in site selection and lease negotiation. Blazing Onion offered prospective franchisees ongoing support from members of the Training and Operations Team and corporate training for Owner/Operators and Directors of Operations/General Managers. On July 6, 2010, Blazing Onion removed its "Franchising" webpage from its website after being contacted by the Securities Division.

## **III. Registration Status**

Respondent Blazing Onion Franchising, LLC is not currently registered to sell franchises in the state of Washington and has not previously been so registered.

Based upon the above Findings of Fact, the following Conclusions of Law are made:

#### **CONCLUSIONS OF LAW**

I.

The offer and/or sale of the franchise described above constitute the offer and/or sale of a franchise as defined in RCW 19.100.010(16) and RCW 19.100.010(4).

II.

The offer and/or sale of said franchise was in violation of RCW 19.100.020 because no registration for such offer and/or sale was on file with the Securities Administrator.

CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS Securities Division PO Box 9033 Olympia, WA 98507-9033 360-902-8760

#### **CONSENT ORDER**

Based upon the foregoing:

IT IS AGREED AND ORDERED that Respondent Blazing Onion Franchising, LLC, its agents and employees each shall cease and desist from offering or selling franchises in violation of RCW 19.100.020, the registration section of the Franchise Investment Protection Act of the State of Washington.

IT IS FURTHER AGREED that Respondent Blazing Onion Franchising, LLC enters into this Consent Order freely and voluntarily and with a full understanding of its terms and significance.

IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Order.

IT IS FURTHER AGREED that in consideration of the foregoing, Respondent Blazing Onion

Franchising, LLC waives its rights to a hearing in this matter and judicial review of this order.

SIGNED this <u>20th</u> day of September, 2010

Blazing Onion Franchising, LLC by:

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SIGNED and ENTERED this <u>21st</u> day of September, 2010

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CONSENT ORDER

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division

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1 2		WILLIAM M. BEATTY Securities Administrator
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7	An Elm	Martin Cordell
8	SUZANNE SARASON	MARTIN CORDELL
9	Chief of Enforcement	Financial Legal Examiner
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14	ROBERT KONDRAT Financial Legal Examiner Supervisor	
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CONSENT ORDER

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